

Statement of Maryanne Bach
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Bureau of Reclamation
U.S. Department of the Interior
on H.R. 2990,
to amend the Lower Rio Grande Valley Water Resources
Conservation and Improvement Act of 2000, and on
Lower Rio Grande Water Security, Opportunities and Challenges
House Resources Subcommittee on Water and Power
May 3, 2002

Thank you for the opportunity to present the Department's views on H.R. 2990, which amends P.L. 106-576, the Lower Rio Grande Valley Water Resources Conservation and Improvement Act of 2000 and to discuss water issues in the Lower Rio Grande Valley.

H.R. 2990 aims to provide areas in Texas that are facing a drought, with some important water saving measures. The Department lauds efforts to improve and encourage water efficiency, and to responsibly manage water supplies in the border region. The Administration, the Department of the Interior and the Bureau of Reclamation (Reclamation) share the concern of the Committee, the State of Texas, and the water users over the severe water shortages that exist in this area. The Administration supports the goals to amplify and make more efficient use of the current water supply. The Administration is committed to working with the Committee to effectively address these water supply concerns.

H.R. 2990 would amend P.L. 106-576 by authorizing 15 additional projects in West Texas and in the Lower Rio Grande Valley of Texas. H.R. 2990 would increase the authorization for report preparation to \$8,000,000, institute a 50% cap on federal report preparation costs, and increase the authorization for project funding to \$47,000,000.

The Department of the Interior testified in general support (with some suggested revisions) of the legislation that became P.L. 106-576. H.R. 2990 appears to maintain the intent of the existing law while authorizing additional projects and increasing the funding ceilings. However, given the numerous other demands on Reclamation's budget and the number of already authorized but unfunded projects, we have concerns about adding additional projects to Reclamation's workload at this time. We also have concerns over the lack of Administration review in the process for projects in this bill. It is important to note that appropriations will be needed in order to implement the original Act and any new authorizations.

We are aware that this area is experiencing a drought that began nearly a decade ago, putting a great strain on water delivery systems and causing farmers to change cropping patterns or stop farming altogether. During that time, the area has received only a small portion of the precipitation that would normally occur. Amistad and Falcon Reservoirs, international storage dams operated by the International Boundary and Water Commission (IBWC) along the Lower Rio Grande, remain at record low levels. Further upstream, the Bureau of Reclamation reservoirs of the Rio Grande Project in southern New Mexico (Elephant Butte and Caballo) are also at their lowest levels since 1982. Without a significant above average spring snowmelt runoff in 2002, a curtailment in supply to water users in U.S. and Mexico will occur.

On a frequent basis, we coordinate with the U.S. Section of the IBWC. We recognize that the U.S. IBWC has responsibility for monitoring water deliveries, treaty compliance and water availability along the international border. We defer to the witnesses from the State Department

and the IBWC as to any comment on issues that relate to the treaty and water availability along the international border.

Reclamation Background in the Lower Rio Grande

The Department's involvement with the Lower Rio Grande irrigation districts dates back almost 50 years when Reclamation began cooperative efforts to modernize facilities and improve water use efficiency. Beginning in 1954, investigations identified the need for rehabilitation

of existing distribution systems and construction of main drain outlets for the La Feria and Mercedes Districts. Public Laws 85-370 and 86-357 authorized the rehabilitation projects for La Feria and Mercedes districts respectively. Rehabilitation of the diversion, distribution, and

drainage systems were accomplished through contracts among the local entities and Reclamation. Both the La Feria and Mercedes districts have paid out their repayment obligation associated with their projects and

Reclamation is currently in the process of returning title to the La Feria lands conveyed to the United States as part of their contractual obligation. In addition, Reclamation entered into contracts with numerous irrigation districts in Harlingen, Hidalgo and Cameron counties pursuant to the Small Reclamation Projects Act of 1956. All contracts are

now paid out, with Donna Irrigation District being the most recent to fulfill its repayment obligation in 2001.

Through the years, Reclamation has also prepared technical reports covering water conservation and basin studies to identify specific problems and needs of the area. For example, in September of 2000, Reclamation sponsored a Water Conservation Field Services workshop in Weslaco, Texas to present current information and technology updates to local irrigation districts regarding water measurements, management, and conservation.

P.L. 106-576

In 2000, this subcommittee held a hearing, at which we testified, on H.R. 2988, the Lower Rio Grande Valley Water Resources Conservation and Improvement Act, whose Senate companion bill, S. 1761, became P.L. 106-576 in December of that year.

This legislation was an effort to provide some important water saving measures to an area of Texas that had suffered from drought. Briefly, the law directed the Secretary, acting through the Commissioner of Reclamation, to undertake a program, in cooperation with the State of Texas, water users and other non-Federal entities, to investigate and identify conservation and efficiency improvement opportunities. This was to include review of studies or planning reports prepared outside of Reclamation and the evaluation of alternatives such as lining irrigation canals and increasing the use of pipelines and other water delivery facilities.

Within six months of enactment, the Secretary was to develop and publish a set of criteria to determine which projects would qualify and have the highest priority for financing. P.L. 106-576 provided certain minimum criteria and required the Secretary to make a determination of whether the project meets the criteria within a year of submittal of a request. The law also outlined the report, plan and cost-sharing requirements a project sponsor would need to fulfill to secure federal funding. The law authorized four

projects and \$10,000,000 for their construction if they later met these criteria and project requirements. The federal cost share was capped at 50% of any construction, with up to 40% to be contributed by the State. The remainder of the non-federal share was authorized to include in-kind contributions of goods and services, including funds previously spent on feasibility and engineering studies.

Since enactment of the bill, Reclamation has been working successfully and cooperatively with local entities in the Lower Rio Grande, the Texas Water Development Board, and the Texas Agricultural Extension Service of Texas A&M University on its implementation. As noted, a requirement of P.L. 106-576 was issuance of criteria by which Reclamation would administer the

law and determine project eligibility for federal funding. Reclamation prepared and shared criteria with state, local and other federal entities. The criteria were finalized in late June 2001, within the six month timeframe provided in P.L. 106-576.

Reclamation also has worked closely with those districts involved in the four authorized projects and with the Texas Water Development Board to address funding necessary to begin planning, designing, and reviewing the project plans and reports. Funding for Reclamation to begin preparation of a project plan and report has been advanced from one district. Three other districts are funding similar work by consultants. To date, three projects have been submitted to Reclamation. The authorized projects in the original bill have not been appropriated Federal funds.

Reclamation will continue its efforts to implement the Lower Rio Grande Water Resources Conservation and Improvement Act of 2000 to help make the most efficient use possible of the available supply. Reclamation is also working with several entities in the Valley to field test various methods of controlling water hyacinth and hydrilla. These noxious plant species are spreading rapidly and are increasingly clogging irrigation district canals and intakes to pumping plants - all of which greatly restrict the flow of water both within the irrigation systems and in the Rio Grande as well.

The Department's activities in the Lower Rio Grande Valley are important components of government service in the area, but they are only one part. We applaud the many efforts taken by universities, state and local governments, and other federal agencies. We pledge to continue the Department's coordination and cooperation as we all work together to conserve the water resources that are in such short supply.

H.R. 2990

Project Authorization: Under P.L. 106-576, projects would include on-farm activities to enhance water conservation, such as water application metering, concrete lining of canals and other irrigation system management improvements. The proposed legislation would continue these activities and also enable the Secretary to use cooperative agreements to work with the State of Texas, non-Federal entities, and institutions of higher education, to develop educational programs and establish on-farm training programs for state-of-the-art water application and conservation techniques. We are concerned that this bill, like the earlier bill, authorizes projects without first undergoing the Administration review required by Executive Order 12322.

Project Eligibility Requirements: In 2000, the Commissioner of Reclamation testified on the legislation that became P.L. 106-576, stating that funding and eligibility decisions should be made on the basis of the relative costs associated with water conservation opportunities. The

amendments presented in H.R. 2990 adopt the criteria established by Reclamation under the 2000 legislation. The Department supports this approach, as it provides more certainty to applicants by ratifying Reclamation's standards in law.

One aspect of improving efficiency is ensuring that the improvements made provide the highest return. Reclamation's guidelines will assist in that. However, given that the authorization level is proposed to increase to \$47 million, it also may be appropriate to analyze the projects (or sets of

projects) in the context of the established Principles and Guidelines. A simplified approach to the analysis could possibly be used, such as a recent model for this area prepared by Texas A&M University as a potential tool for evaluating projects in the Lower Rio Grande Valley.

Funding and Cost Sharing: The cost sharing provisions adopted in P.L. 106-576 establish a 50 percent federal maximum for construction costs. H.R. 2990 would amend Section 4 (b) of P.L. 106-576 to stipulate that the 50 percent federal maximum be applied to total project costs (e.g.

studies, designs, reviews, approvals, construction) rather than just construction. This change would simplify the application of cost sharing provisions between the federal and non-federal contributions for completing a project. The \$47 million amount for construction is subject to further review when project reports are

developed.

Conclusion

Mr. Chairman, we are very concerned about the effects of the water shortage in the Lower Rio Grande Valley and we recognize the importance of improving the efficiency of water use and delivery in this part of the country, especially in light of the current drought conditions. Reclamation would be happy to work with Representative Hinojosa and the Committee to continue to address the water supply problems.

Thank you for the opportunity to present the Department's views. I am pleased to answer any questions.